CDBG HOUSING IMPROVING LOCAL LIVABILITY (CHILL) PROGRAM

DEMOLITION RECONSTRUCTION RESALE (DRR) QUICKFINDER

Eligible Applicants	Non CDBG-entitled unit of a general local government (UGLG)
Eligible Households	Income qualified households with incomes at or below 80% of Area Median Income (AMI)
Eligible Properties	In-fill construction for homeownership on a residential vacant lot with current or past demolition (within 12 months) of a single-family residential structure.
Eligible Reconstruction Costs	The actual cost of reconstructing housing, including: ▪ Costs to meet applicable building and construction standards ▪ Energy-related repairs or improvements ▪ Improvements necessary for persons with disabilities ▪ Abatement or reduction of lead-based paint hazards ▪ Modest landscaping (seed/sod, mulch, trees/shrubs, perennials), up to $1,000. ▪ Note that acquisition and demolition are NOT allowable uses of CDBG funds under this activity, so leveraged funds must be used if acquisition or demolition are required to complete the project.
Administrative Fees	▪ Capped at 18% of the total funds awarded. ▪ UGLG staff time directly related to carrying out the project such as property inspections, preparing specifications, managing construction, and conducting homebuyer intakes to be drawn as administrative fees, not activity delivery costs. ▪ Other Soft Costs – No limit, included in total project costs, and associated with specific addresses. ▪ If a developer is used, developer fee to drawn from admin.
Housing Quality	Grantee must meet both federal NSPIRE standards and local code standards for activities undertaken, whichever is stricter. All permits and inspections are the responsibility of the UGLG.
Resale Requirements	Targeted to homebuyer with household income at or below 80% of Area Median Income (AMI)
Documents Required	▪ Proof of site control ▪ Title insurance ▪ Construction Mortgage ▪ Homebuyer Second Mortgage and Mortgage Note ▪ Developer agreement (unless UGLGs act as developer)
Compliance Requirements	▪ All U.S. Department of Housing and Urban Development (HUD) rules and regulations including federal cross-cutting regulations as outlined in MSHDA's CHILL Program Guidelines. ▪ Must be maintained as an owner-occupied property for five (5) years. ▪ Second mortgage subject to payoff requirements pursuant to the terms of the Mortgage and Mortgage Note. See Loan Terms below. ▪ Program income resulting from the proceeds of sale shall be returned to MSHDA.

Federal Laws & Regulations	Refer to CHILL Program Guidelines on MSHDA's Neighborhood Housing Initiatives Division website, applicable Grant Administration Manual (GAM) chapters of MEDC webpage, and citations within written grant agreement. For 2022 CDBG funds, MSHDA is a subrecipient of MEDC and has adopted MEDC program guidelines when applicable.
Project Completion	The unit(s) must be completed and sold within grant agreement period of performance of 18 months.
Loan Terms	- Homebuyer assistance to be secured by a lien in the form of a zero interest, zero payment loan, forgivable after five (5) years. - Mortgage is between homeowner and MSHDA for purchase assistance. - Payment in full due on default, sale, refinance, transfer, or if no longer occupied by borrower during the five-year period. - Complete a HUD approved Homebuyer Education Course. - Program Income resulting from payoffs will be returned to MSHDA.
Minimum Assistance Per Unit	$50,000
Maximum Assistance Per Unit	Up to $200,000. A construction mortgage lien imposed, discharged upon sale to an eligible buyer.
Maximum HID CDBG Subsidy Per Unit	Capped at 20% of total CDBG Assistance. Can be used for development subsidy, homebuyer subsidy, or both.
Match Requirement	Not required; however, highly encouraged.